

**LEGISLATIVE SERVICES AGENCY  
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**FISCAL IMPACT STATEMENT**

**LS 6037**

**BILL NUMBER: SB 24**

**NOTE PREPARED:** Jan 29 2004

**BILL AMENDED:** Jan 15, 2004

**SUBJECT:** Credentialing Application.

**FIRST AUTHOR:** Sen. Garton

**FIRST SPONSOR:**

**BILL STATUS:** 2<sup>nd</sup> Reading - 1<sup>st</sup> House

**FUNDS AFFECTED:** X GENERAL  
DEDICATED  
FEDERAL

**IMPACT:** State

**Summary of Legislation:** This bill requires the Department of Insurance (DOI) to prescribe a credentialing application form. The bill requires an insurer or a health maintenance organization to provide notice to a health care provider concerning the provider's credentialing application.

**Effective Date:** July 1, 2004.

**Explanation of State Expenditures:** The DOI must prescribe a credentialing application form for use by a provider who applies for credentialing by an insurer or health maintenance organization. ("Credentialing" means a process through which an insurer or health maintenance organization makes a determination based on criteria established by the insurer concerning whether a provider is eligible to provide health care services to an insured and receive reimbursement for the health care services under an agreement entered into between the provider and the insurer.) The proposal will result in an increase in administrative expenses for the DOI. The DOI should be able to absorb any additional costs given its current budget and resources.

**Explanation of State Revenues:**

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:**

**State Agencies Affected:** Department of Insurance.

**Local Agencies Affected:**

**Information Sources:**

**Fiscal Analyst:** Bernadette Bartlett, 317-232-9586.